



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

APR 11 2017

Rebecca Neufeld

Austin, TX 78757

RE: MUR 7066  
Hillary for America and Jose Villarreal in his  
official capacity as treasurer

Dear Ms. Neufeld:

This is in reference to the complaint you filed with the Federal Election Commission on May 16, 2016. Based on the information provided in your complaint and information provided by the Respondents, Hillary for America and Jose Villarreal in his official capacity as treasurer, on April 5, 2017, the Commission voted to dismiss the matter and close the file. The Factual and Legal Analysis, which more fully explains the Commission's finding, is enclosed.

Documents related to the case will be placed on the public record within 30 days. See Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016), effective September 1, 2016.

The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 52 U.S.C. § 30109(a)(8).

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Lisa J. Stevenson  
Acting General Counsel

By: Lynn Y. Tran  
Assistant General Counsel

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENTS:** Hillary for America and Jose Villarreal MUR 7066  
in his official capacity as treasurer

**I. INTRODUCTION**

The Complaint alleges that Hillary for America and Jose Villarreal, in his official capacity as treasurer ("the Committee"), violated the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations by accepting excessive contributions from 70 individuals in violation of 52 U.S.C. § 30116(f) and 11 C.F.R. §§ 103.3(b)(3), 110.9. After reviewing the record, the Commission dismisses the allegation that the Committee violated 52 U.S.C. § 30116(f), and 11 C.F.R. §§ 103.3(b)(3), 110.9 by accepting and failing to timely cure excessive contributions.

**II. FACTUAL AND LEGAL ANALYSIS**

**A. Factual Analysis**

Hillary for America is the principal campaign committee for Hillary Clinton's 2016 Presidential campaign.<sup>1</sup> The Complaint alleges that between April 12, 2015, and March 31, 2016, the Committee committed 217 violations of the Act by accepting a total of \$273,503 in excessive contributions from 70 individual contributors residing in fifteen ZIP codes in southern California.<sup>2</sup>

The alleged excessive contributions were received both as individual contributions to the Committee and as allocations from individual contributions to Hillary Victory Fund ("HVF").<sup>3</sup> HVF was established as a joint fundraising committee; participants included the Committee, the

<sup>1</sup> Hillary for America Statement of Organization (Apr. 13, 2015).

<sup>2</sup> See Compl. at 1, 3-15.

<sup>3</sup> *Id.*

1 Democratic National Committee ("DNC"), and 38 state Democratic Party committees.<sup>4</sup> For  
2 contributions to HVF made before the Presidential primary election, the first \$2,700 of each  
3 individual contribution to HVF were allocated to the Committee's primary election campaign  
4 fund and the second \$2,700 were allocated to the Committee's general election campaign fund,  
5 with any remainder being transferred to the DNC and state Democratic Party committees.<sup>5</sup> For  
6 individual contributions to HVF made after the Presidential primary, only the first \$2,700 were  
7 allocated to the Committee.<sup>6</sup>

8 The Committee denies the allegations and states that it had measures in place to handle  
9 excessive contributions properly.<sup>7</sup> The Committee suggests the Complainant does not  
10 understand that the primary and general elections are separate elections for purposes of  
11 limitations on contributions, and that committees may cure excessive contributions by timely  
12 redesignating, reallocating, or refunding them.<sup>8</sup> The Committee explains that 64 of the 70  
13 contributors did not exceed the contribution limits at all, and four individuals made excessive  
14 contributions that the Committee timely refunded or reallocated. The Committee maintains that  
15 two individuals appeared to exceed the \$2,700 per election limit, but this appearance was due to  
16 reporting errors, which the Committee corrected in amended reports.<sup>9</sup>

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<sup>4</sup> See FEC Form 1, Statement of Organization, Hillary Victory Fund (amended July 1, 2016).

<sup>5</sup> Factual & Legal Analysis at 1-2, MUR 7061 (Hillary for America) ("F&LA").

<sup>6</sup> *Id.* at 2.

<sup>7</sup> *Resp.* at 2.

<sup>8</sup> *Id.* at 2-3.

<sup>9</sup> See *Id.* at 2, Ex. A (listing the 64 individuals and providing excerpts from various Commission disclosure reports documenting all contributions by each individual), *Id.* at 2, Exs. B-C (records of the excessive contributions and subsequent refunds for two individuals), *Id.* at 2, Ex. C (records of the excessive contributions and subsequent reallocations for two individuals), and *Id.* at 3, Exs. D-E (records of the reported excessive contributions and subsequent amendments correcting election designations).

**B. Legal Analysis**

Under the Act, an individual may not make a contribution to a candidate with respect to any election in excess of the legal limit, which was \$2,700 per election during the 2016 election cycle.<sup>10</sup> A primary election and a general election are each considered a separate “election” under the Act, and the contribution limits apply separately to each election.<sup>11</sup> Candidates and political committees are prohibited from knowingly accepting excessive contributions.<sup>12</sup> When a committee receives an excessive contribution, the committee must, within 60 days of the contribution’s receipt, either refund the excessive portion of the contribution or obtain a redesignation or reattribution from the contributor.<sup>13</sup> Contributions to a joint fundraising committee are subject to regulations governing the allocation of funds up to the total limits of all the participants to the joint fundraising agreement.<sup>14</sup>

A review of the Committee’s disclosure reports confirms that 64 of the 70 identified individuals did not make excessive contributions, and five more made excessive contributions that the Committee timely refunded, redesignated, or reallocated. However, the Committee failed to timely refund, redesignate, or reallocate excessive contributions totaling \$845 from one individual.<sup>15</sup>

Given the limited scope of the violation, the small amount at issue, and the Committee’s remedial actions, and the Commission’s priorities, relative to other matters pending on the

<sup>10</sup> See 52 U.S.C. § 30116(a)(1)(A) and 11 C.F.R. § 110.1(b)(1).

<sup>11</sup> See 52 U.S.C. §§ 30101(1)(A) and 30116 (a)(6); 11 C.F.R. §§ 100.2 and 110.1(j).

<sup>12</sup> See 52 U.S.C. § 30116(f).

<sup>13</sup> See 11 C.F.R. § 103.3(b)(3).

<sup>14</sup> See 11 C.F.R. § 102.17.

<sup>15</sup> The Committee’s reports reveal that one contributor exceeded the aggregate contribution limit for the primary election by \$845 via contributions to HVF on Feb. 5, 2016; Feb 24, 2016; Feb. 29, 2016; and Mar. 11, 2016. The excessive contributions were reallocated on Jul. 31, 2016.

- 1 Enforcement docket, the Commission exercises its prosecutorial discretion and dismisses this
- 2 matter pursuant to *Heckler v. Chaney*, 470 U.S. 821 (1985).